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UNITED STATES OF AMERICA

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ADDRESS OFFICIAL COMMUNICATIONS TO
American Embassy
Taipei, April 3, 1952

Dear John:

With Karl Rankin scheduled to take off within a few days at which time I shall be taking over as charge, I am taking the liberty of writing you directly for the purpose of giving you a few first impressions. First, however, let me offer belated congratulations. I was very glad that the decision you were awaiting when I was in Washington turned out the way it did. It is a great responsibility. Great wisdom is certainly needed in high places these days. And it is reassuring when a career officer of your experience and background is picked for so important a post.

Approaching the Far East completely fresh, as I have, with no preconceptions or predilections except such as I gathered in Washington, I was glad to find on Formosa a far higher potential -- economic, political and military -- than I had anticipated and a far better morale among the leaders. My impressions under these three headings might be summarized as follows:

Economic. The island is sufficiently rich in natural resources so that it is not necessary for us to carry it on our backs indefinitely. Even with the million and a half refugees from the mainland and a national government with a large army saddled upon it, Formosa can become self-sustaining within a limited period of years, given sufficient aid in the form of long term capital investment. MSA has already begun to move in this direction - it should be encouraged. This would not enable Formosa to support its present military establishment of nearly 600,000 troops or to pay for the necessary hardware to make that force effective. In the foreseeable future, we shall have to help support whatever military program we feel is essential to the free world over and above what would constitute a normal Formosa force. But we should

The Honorable

John M. Allison,

Assistant Secretary of State for Far Eastern Affairs,
Department of State,
Washington, D.C.

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not have to face a future of Formosa on relief; so to speak, if we make the proper capital investments.

Political. The leading officials of the government seem to have learned their lesson and to have a real appreciation of the importance of making Formosa a model democratic government with a positive and progressive economic and social program. While their thinking centers on a return to the mainland, they appear to appreciate that their success on the mainland in terms of support may well turn upon what they have done on Formosa. If they can achieve something really worth while here, that achievement will ring a bell on the mainland. If they fail here, how can they be expected to do better for all China than they have been able to do for a small island -- this they see clearly. Relations between Mainland Chinese and Formosans seem to be improving. Governor Wu, for example, apparently has become a popular figure with the Formosans.

Expectation of the emergence of a Third Force seems to be dying on its feet. In Hongkong, the importance of uniting all anti-communist elements seems to be superceding the idea of a movement which would get rid of the Gimo while taking over his strength. The editor (Chinese) of the Hongkong Standard told me, "I have been an opponent of Chiang Kai-shek for years. But latterly, I realize we anti-Communist Chinese must get together to fight a common enemy. Chiang is still the strongest personality we have around whom to rally. He still commands a greater following than any other Chinese. He still controls an Army. On the mainland he is becoming a symbol of resistance to the new oppressor. Reluctantly I have come to the conclusion that we must unite around Chiang." The Vietnam Consul-General in Hongkong said, "You may be surprised to hear this from me but we must be realistic these days. Chiang is the only Chinese leader who means anything any more. He has an army which, with your aid, will be ready to fight one day. These Hongkong groups have got to unite with him if they are to become effective."

The British (and many others) on Hongkong are not yet ready to believe any good can come from Formosa but my first impressions would convince me they are wrong.

Military. After what I had heard about the low morale of Chinese troops on the island, I was prepared to believe anything. However, I found the morale of both officers and men surprisingly high in all three of the services, granted that my observation must be superficial on this point. Nevertheless, I have been all over the island, seen their training,

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watched them throw live hand grenades at each other, talked with officers and men on all levels, and had morale is hard to hide. There were plenty of complaints but most of them had to do with slowness of arrival of American hardware. There has been a good deal of exaggeration on the subject of the over-age of this army. One division I saw training reported an average age of 22. This was unusual. The average age in the army is around 27. But that's still young enough to be effective in combat for a few more years.

With Karl Rankin, I feel strongly that command responsibilities in event of an attack on the island should be anticipated. I presume, with the transfer of responsibilities from SCAP to CINCPAC that this question will be clarified. I had lunch and a good talk with Admiral Radford in Honolulu on the way through and look forward to seeing him here in a few weeks. But certainly the determination should be made in advance as to whether, in the event of an attack, an American or a Chinese will boss the show for our side, and how coordination will be effected between the various elements involved in combat - the Chinese Navy, the Chinese Air Force, the Seventh Fleet, the US Air Force, MAAG, etc.

So much for first impressions. I don't want to give you the idea that I think there's nothing wrong here - quite the contrary. There is much to be done. But there is much to work with.

Two points I should like to make in closing. The transfer of responsibility for Formosa from Ridgway to Radford has caused a lot of new speculation as to American policy toward Formosa. These flames have been fanned by Secretary of the Navy Kimball's statements here and in Tokyo and subsequent repercussions in Washington. It would be extremely helpful to us if an unequivocal statement could be made - without mentioning Korea if that is too sensitive to bring in - to the effect that it is American policy to defend Formosa as a part of the free world. Some of us think that Korea might never have been attacked had such a statement been made in the pre-Korean war period. It is possible such a statement might spare Formosa at least for the time being. It would certainly give the Chinese Communists and Moscow further food for thought. And it would quiet talk here. Even some Americans here are not convinced that we shall stand by Formosa after a truce is reached in Korea.

Second, I should like to urge that, whatever plans the Department may have for Karl Rankin, he be asked to remain in Washington for

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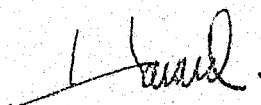
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consultation for at least a sufficient number of weeks to enable him to convey his thinking on this situation to key people there. He has done a superb job here - of that there is no question - but more than that, he has been sitting here on these stormy Formosa straits doing a lot of hard thinking about this whole problem and he has as clear and realistic a picture of the situation and its policy implications as anyone with whom I have talked.

As for me, I'm glad to be here, am finding it challenging and I like the Chinese. Please convey my best regards to Troy Perkins and other of our colleagues in FE, also to Allen Dulles, whom I know you see often. With all best wishes to you in your tremendous responsibilities,

Sincerely yours,



Howard P. Jones

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